

	YOY Chg	12-Mo. Forecast
24.8% Vacancy Rate	▲	▼
30.9k Net Absorption	▲	▲
BRL 104.83 Asking Rent (sq.m/month)	▲	▲

(CBD Class A)

ECONOMIC INDICATORS 2021

	YOY Chg	12-Mo. Forecast
-0.1% 2021Q3 GDP QOQ	▼	▲
12.6% Unemployment Rate (2021Q3)	▲	▼
10.06% CPI Inflation (12 months)	▲	▼

Source: LCA

ECONOMIC SCENARIO

During the fourth quarter of 2021, the vaccination campaign against Covid-19 continued to advance in the country. Therefore, in this last quarter there was a broader release of the restrictive measures. Data from October's Monthly Survey of Trade Show that retail trade decreased 0.1% compared to September in the seasonally adjusted series, maintaining a stable level. The CCI (Consumer Confidence Index) increased by 0.6 points in December, although the result was positive, the CCI closed 2021 with a drop of 2.6 points. The results of the indicators reflect the rise in prices and, consequently, the reduction in the purchasing power of consumers during the year. Unemployment remains high. In the 3rd quarter, the unemployment rate was 12.6%. The country's consumer price index (IPCA) for December was 0.73%, closing the year with a high of 10.06%.

DEMAND: Absorptions Increase

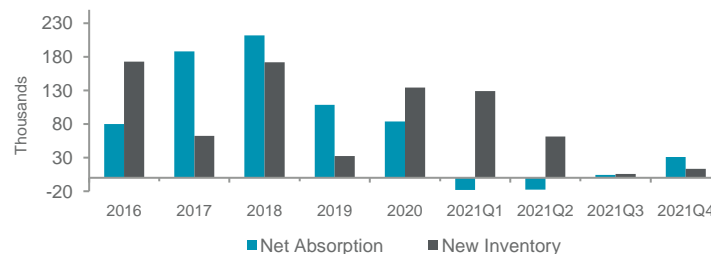
In the fourth quarter of 2021, São Paulo's class A CBD office market presented the best outcome of the year. The net absorption totaled 30,906 thousand square meters (sq.m), indicating considerable improvement in the market in view of the current economic scenario. *Pinheiros* was the region that stood out the most, with net absorption of 13.1 thousand sq.m, mainly due to the occupation of a retail company in the Eldorado Business Tower. *Faria Lima* obtained the second-best result, registering a net absorption of 8.1 thousand sq.m, followed by *Chucui Zaidan* with 7.6 thousand sq.m absorbed. The only regions that registered negative absorptions were *Chácara Santo Antonio*, *JK* and *Berrini*.

PRICING: Average Asking Price Decreases

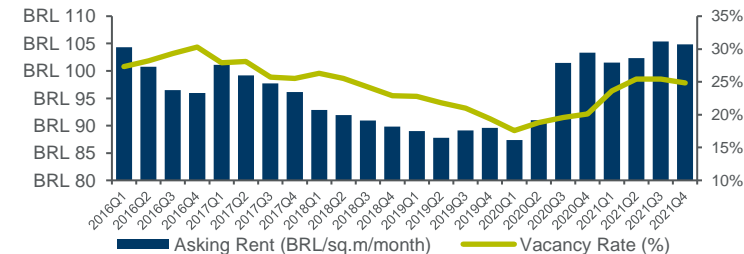
The average asking price in São Paulo's class A CBD market registered a small drop of 0.52% quarter-over-quarter QOQ, closing the period at BRL 104.83/sq.m./month. This decrease is mainly due to occupancy in expensive buildings and exits in cheap buildings. Even so, some regions showed an increase in the asking price compared to the previous quarter. *Paulista* was an example of this, with an increase of 3.28%, it closed the quarter at BRL 122.28/sq.m./month, mainly due to the delivery of new inventory with a value above the average asking price for the region.

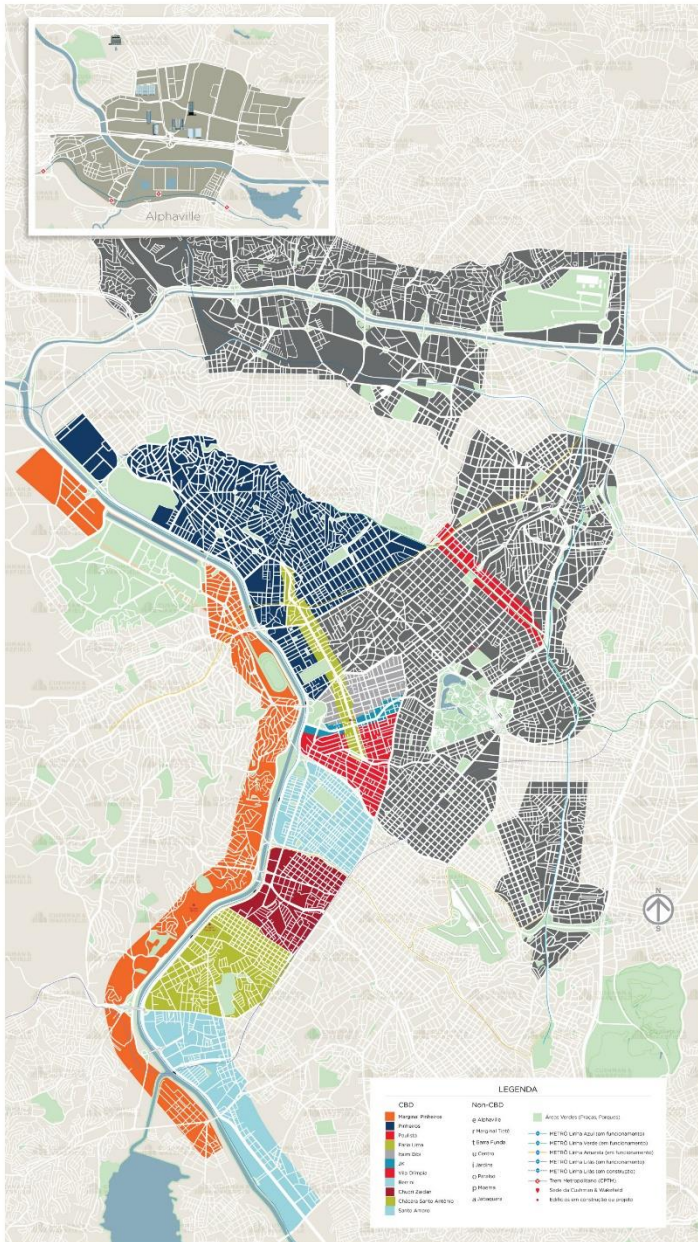
Faria Lima is currently the region with the highest asking price, BRL 187.80/sq.m./month, followed by *Itaim* with a value of BRL 170.00/sq.m./month and by *JK* with an asking price of BRL 166.54/sq.m./month. The region with the cheapest asking price remains *Santo Amaro* with BRL 43.89/sq.m./month.

NET ABSORPTION/ DELIVERIES – CBD A



ASKING RENT / VACANCY – CBD A





Market Overview

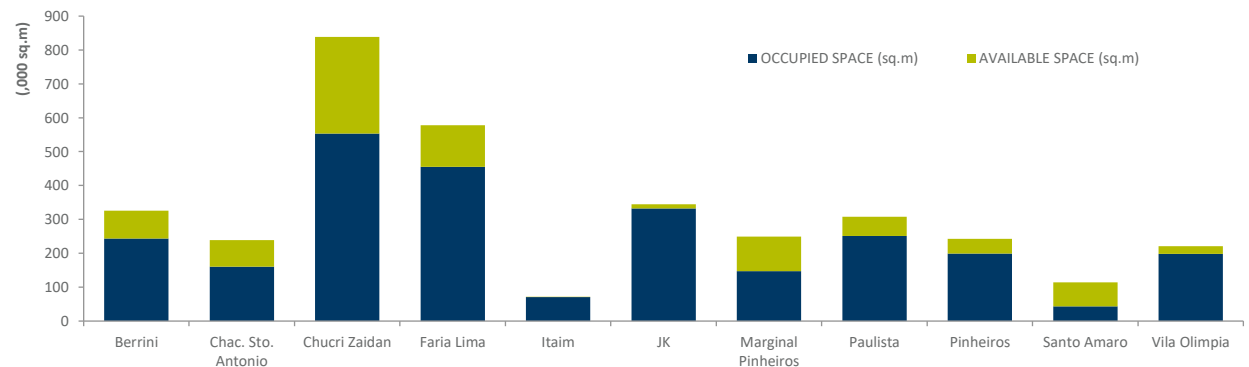
The fourth quarter of 2021 once again showed signs of recovery in real estate market activity, with several companies gradually returning to offices, even if in a hybrid work model. A gross absorption of 59.3 thousand sq.m was registered - the best outcome of the year. The city's vacancy rate had a small drop of 0.59 p.p. and closed the quarter at 24.82%.

Paulista was the region that presented the highest increase in the vacancy rate at 3.13 p.p. QOQ, and closing at 18.40%, mainly due to the delivery of *Cidade Matarazzo* and *Projeto Alameda Santos*, which increased the available area in the region. In contrast, *Pinheiros* was the region with the highest drop - 5.41 p.p. QOQ, largely due to an occupancy in *Eldorado Business Tower*. *Santo Amaro* and *Marginal Pinheiros* continue to be the regions with the highest vacancy rates at 61.86% and 40.92%, respectively. On the other hand, *Itaim* and *JK* are the only regions with a vacancy rate below 10%.

Pipeline

In the fourth quarter of 2021, São Paulo's office market received 13,395 sq.m of new completions, from *Cidade Matarazzo* and *Projeto Alameda Santos*, both in the *Paulista* region. This quarter experienced the second lowest volume delivered in the year.

SUBMARKET COMPARISON

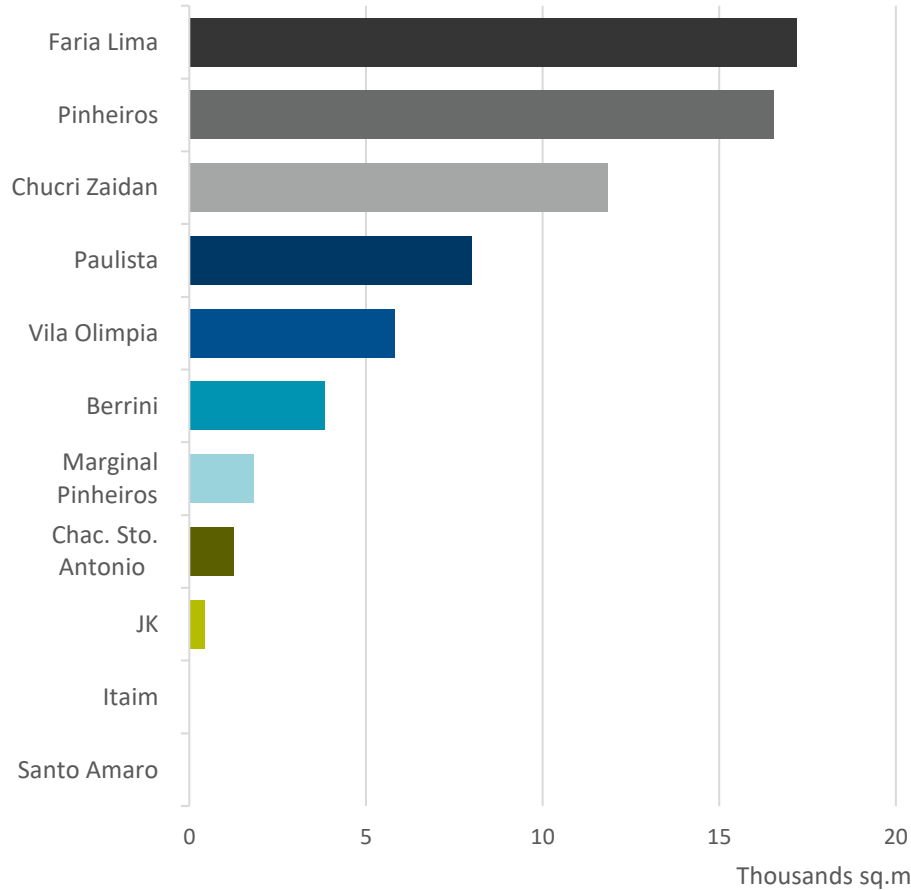


REGIONS

- | | | |
|----------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------------|
| ● Marginal Pinheiros | ● Itaim Bibi | ● Chucui Zaidan |
| ● Pinheiros | ● JK | ● Chác. Sto Antônio |
| ● Paulista | ● Vila Olímpia | ● Santo Amaro |
| ● Faria Lima | ● Berrini | |

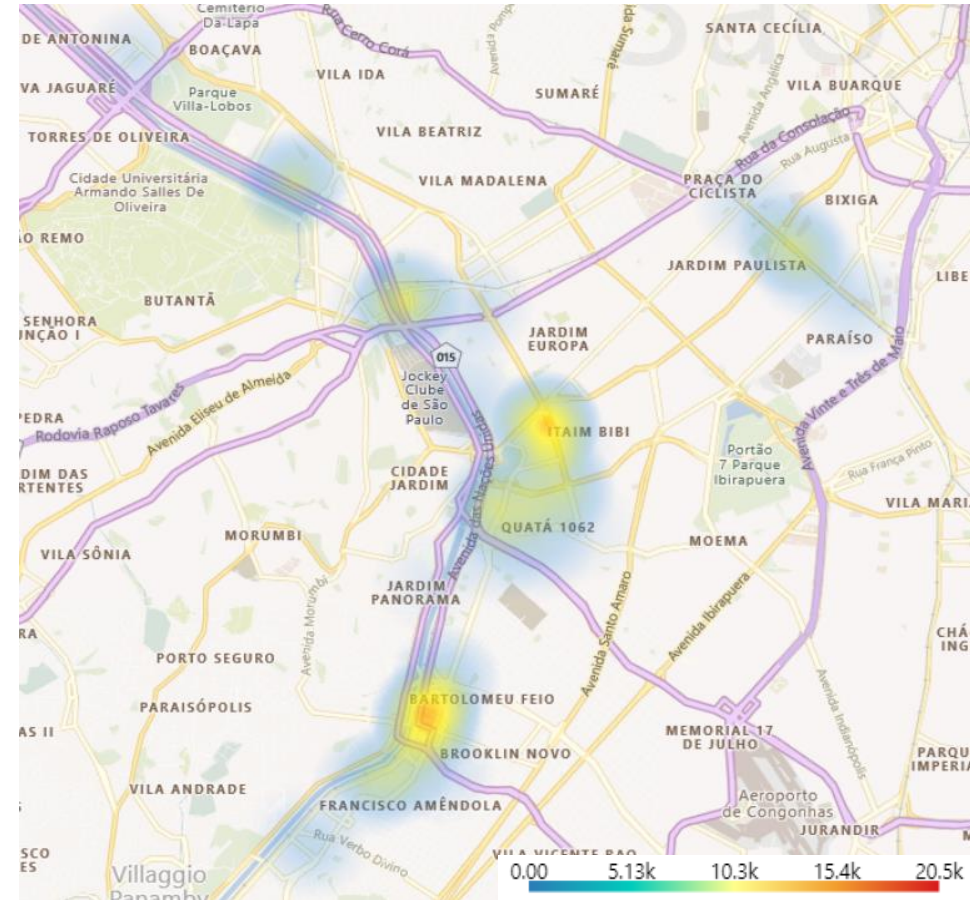
*The vacancy rate is calculated and established by Cushman & Wakefield, which consider the effective occupancy, resulting in a vacancy of 24.8%. However, the commercial vacancy rate is considered by the leases in São Paulo CBD classe A, closing the fourth quarter at 18.7%.

Leasing Activity – 2021Q4



The chart above shows the concentration of transactions in São Paulo’s CBD regions. In the fourth quarter of 2021, the highlight was *Faria Lima* region, with a total of 17,211 sq.m leased. In second place was *Pinheiros* region with a total of 16,541 sq.m, followed by *Chucri Zaidan* with 11,837 sq.m, and *Paulista* with 8,003 sq.m leased.

Heat Map - 2021Q4



The heat map illustrates the total area transacted in the fourth quarter of 2021 by region. With more than 17,000 sq.m leased, the *Faria Lima* region demonstrated a high demand in the market. Also, it is important to note the positive activity in the region of *Chucri Zaidan* and *Pinheiros*, due to the growth of leases in several buildings in these regions.

Office Q4 2021

MARKET STATISTICS

SUBMARKET	NUMBER OF BUILDINGS	INVENTORY (SQ.M)	AVAILABLE SPACE (SQ.M)	VACANCY RATE (%)	CURRENT QTR NET ABSORPTION (SQ.M)	CURRENT QTR GROSS ABSORPTION (SQ.M)	LEASING ACTIVITY (SQ.M)	UNDER CONSTRUCTION (SQ.M)	AVG ASKING RENT (ALL CLASSES)	AVG ASKING RENT (CLASS A)
Berrini	11	325,501	81,826	25.1%	-2,404	2,087	3,836	0	BRL 75.16	BRL 94.78
Chac. Sto. Antonio	18	239,120	78,842	33.0%	-698	0	1,266	30,000	BRL 56.97	BRL 65.05
Chucrí Zaidan	29	838,471	285,130	34.0%	7,614	17,272	11,837	122,220	BRL 91.69	BRL 99.50
Faria Lima	30	577,587	121,998	21.1%	8,087	11,443	17,211	0	BRL 162.22	BRL 187.80
Itaim	4	71,927	761	1.1%	207	968	0	0	BRL 66.08	BRL 170.00
JK	12	344,920	12,194	3.5%	-1,207	0	426	0	BRL 115.99	BRL 166.54
Marginal Pinheiros	22	249,610	102,149	40.9%	536	536	1,827	14,777	BRL 61.10	BRL 81.66
Paulista	20	307,620	56,606	18.4%	1,722	2,902	8,003	62,395	BRL 85.44	BRL 122.28
Pinheiros	18	243,208	44,155	18.2%	13,146	18,223	16,541	11,649	BRL 77.84	BRL 109.33
Santo Amaro	8	114,455	70,806	61.9%	0	0	0	0	BRL 42.31	BRL 43.89
Vila Olímpia	16	220,735	22,534	10.2%	3,902	5,910	5,810	8,400	BRL 78.42	BRL 109.08
São Paulo CBD A	188	3,533,153	877,002	24.8%	30,906	59,341	66,757	249,441	BRL 83.89	BRL 104.83

KEY LEASE TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	TENANT	AREA (SQ.M)
Faria Lima Tower	Faria Lima	BTG Pactual	5,216
General Furtado Nascimento 66	Pinheiros	Mobly	4,900
Brazilian Financial Center	Paulista	PanAmericano	4,589

*Renewals not included in leasing statistics.

KEY SALES TRANSACTIONS Q4 2021

PROPERTY	SUBMARKET	SELLER / BUYER	AREA (SQ.M)	PRICE/BRL/SQ.M
FL Financial Center / Faria Lima Square / JK1455 / Miss Silvia Morizono	Faria Lima / JK	SYN Prop & Tech / Brookfield	49,339	BRL 36,050.00
Pátio Malzoni - Bloco A	Faria Lima	BlueStone Investimentos / BlueMacaw Catauí Triple A FII	9,443	BRL 38,639.04
JK Financial Center	JK	SYN Prop & Tech (75%) Brazil Realty S/A (25%) / FII Rio Bravo Renda Corporativa	4,864	BRL 25,506.82

KEY CONSTRUCTION COMPLETIONS Q4 2021

PROPERTY	SUBMARKET	MAJOR TENANT	AREA (SQ.M)	MAIN OWNER/ DEVELOPER
Projeto Alameda Santos	Paulista	-	8,395	WZarzur Investimentos e Incorporações
Cidade Matarazzo	Paulista	-	5,000	BM Empreendimentos e Participações / BRL Trust - FII REC Renda Imobiliária

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